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 DATE PREPARED: April 18, 2011  
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**LB 388**

Revision: 02

Revised based upon Select File amendments adopted

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 388 would establish the Site and Building Development Act. The Department of Economic Development (DED) would be authorized to administer the act and to provide loans, grants, subsidies, credit enhancements and other financial assistance for industrial site and building development. The Site and Building Development Fund would be established in DED and would receive revenue from a \$1,000,000 transfer from the Affordable Housing Trust Fund in January 2012 and a second \$1,000,000 transfer from the Affordable Housing Trust Fund in January 2013. The agency would be authorized to use the fund to carry out the act and to pay for expenses related to administering the act.

LB 388 would also amend the allocation of the documentary stamp tax. Currently, \$1.20 of the documentary stamp tax (\$2.25 per \$1,000 of value) is deposited in the Affordable Housing Trust Fund. LB 388 would reallocate the documentary stamp tax to deposit 95 cents in the Affordable Housing Trust Fund and 25 cents to the Site and Building Development Fund. It is estimated that Site and Building Development Fund would receive approximately \$1,500,000 annually.

Select File amendments to LB 388 established the Industrial Recovery Fund in DED. The fund would be used to mitigate the impact of business and industry closures or downsizings. Revenue consists of funds remitted for deposit pursuant to 58-708. The balance of the fund would be capped at \$1,000,000. It is estimated that \$275,000 could be spent on an annual basis to provide state aid to eligible political subdivisions.

There would be no net cash fund impact to DED as result of the transfer and the revised cash flow, because the increased expenditures from the Site and Building Development Fund and Industrial Recovery Fund would be offset by decreased expenditures from the Affordable Housing Trust Fund. The agency notes that it would use \$28,000 from the Site and Business Development Fund to pay for operating expenses and to hire a .50 FTE economic development consultant position to administer the program.